LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301 Indianapolis, IN 46204 (317) 233-0696 http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 6844 NOTE PREPARED: Jan 5, 2013

BILL NUMBER: SB 469 BILL AMENDED:

SUBJECT: Mandatory Full-day Kindergarten.

FIRST AUTHOR: Sen. Tallian BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

DEDICATED FEDERAL

<u>Summary of Legislation:</u> This bill beginning with the 2013-2014 school year, requires a student to enroll in a full-day kindergarten program if the student is at least five years of age on August 1.

The bill provides that a kindergarten pupil is counted as one pupil (rather than one-half pupil) for purposes of ADM and school funding.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill would require mandatory full-day kindergarten for students. Currently, kindergarten has to be offered by schools, but parents can choose to enroll in a child half-day, full-day, or not participate in kindergarten. During the 2011 school year, there were 76,765 students attending public school kindergarten. In the 2012 school year, there were 79,343 students attending 1st grade in public school, a difference of 2,578 students. The number of students attending public kindergarten has increased over the last 20 years. In 1989, there were 71,210 students attending kindergarten and 80,882 students attending 1st grade the following year, an increase of 9,672 students.

The impact on the state would depend on the increase in the public school enrollments and the school formula in effect at that time. The current school formula is repealed on January 1, 2014. The impact on the 2013 school formula from increasing the kindergarten enrollment by 2,578 students and counting kindergarten student as a 1 in the school formula instead of ½ would increase the state costs to local schools by about \$42.3 M. This is comprised of approximately \$232.2 M in increased tuition support based on the current formula minus \$189.9 M in current full-day kindergarten grants. Any future impact would also depend on if the amount

SB 469+

to be distributed exceeds the maximum state tuition support distribution during the calendar year.

Explanation of State Revenues:

Explanation of Local Expenditures: Schools could have some additional costs associated with providing services to estimated 2,578 more students not attending kindergarten and students currently attending kindergarten a half-day program. For the 2013 school year there are 79,110 students enrolled in the full-day kindergarten program so it is estimated that most students are currently in a full-day program.

Explanation of Local Revenues: See Explanation of State Expenditures

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education databases.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.

SB 469+ 2